GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:377
ANSWERED ON:04.08.2014
PROPERTIES OF AIR INDIA
Patole Shri Nanabhau Falgunrao

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Air India has taken a number of steps to improve its operational efficiency, resulting into higher revenue and income and if so, the details thereof;

(b) whether the Air India has leased out its prime properties, including property located at Nariman Point in Mumbai so as to improve its financial health and if so, the details thereof and the reasons therefor;

(c) whether the annual rental income of Air India`s headquarters leased out is very low as compared to current market rent and if so, the details thereof; and

(d) the corrective action taken by the Government in this regard?

Answer

Minister of CIVIL AVIATION (Shri Ashok Gajapathi Raju Pusapati)

(a) to (d): A Statement is laid on the Table of the House.;

STATEMENT IN REPLY TO PARTS (a) (b) (c) & (d) of LOK SABHA STARRED QUESTION NO. 377 TO BE ANSWERED ON 04.08.2014 REGARDING PROPERTIES OF AIR INDIA TABLED BY SHRI NANA PATOLE, MP.

(a): Yes, Madam. Steps taken by Air India to improve its operational and financial performance are as follows:

(i) Rationalization of erstwhile Air India & Indian Airlines routes and elimination of route network involving parallel operations,

(ii) Rationalization of certain loss making routes,

(iii) Induction of brand new aircraft on several domestic & international routes to increase passengers appeal,

(iv) Phasing out of old fleet and consequential reduction in maintenance cost,

(v) Freezing of employment in non-operational areas

(vi) Redeployment of staff to curb infructuous expenditure ;
(vii) Curtailment of overtime and certain staff perks and relocation of officers from abroad to India

(viii) Closure of overseas offline offices at certain locations ; (ix) Critical analysis of fuel consumption on all flights by setting up a Fuel Council and Fuel Manager

(x) Implementation of Fuel Efficiency & Gap Analysis conducted with the help of IATA,

(xi) Enhanced utilization of new fleet resulting in production of higher seat capacity (ASKM)

(xii) Leveraging the assets of the Company to increase MRO revenue and revenue from Company`s real estate properties.

(b) Yes, Madam. Air India has leased out an area of 73,395.07 sq. ft. to State Bank of India, Tata Consultancy Services, Bharatiya Mahila Bank, Bank of India and Kashmir Govt. Emporium in its Nariman point Building, Mumbai.

(c) No, Madam. The lease rent charged by Air India is reasonable vis-a-vis current market rent.

(d): Does not arise in view of (c) above.